

5.19.14

City Council Meeting

Presentation Overview

- What is a Bond / General Obligation Bond
- City's History with General Obligation Bonds
- 2004 Bond Program
- Potential Bond Schedule for November 2014
- Bond Questions and Funding
- Conceptual Bond Programs
- Questions and Discussion

What is a Bond?

A bond is the certificate or evidence of debt issued by a governmental unit. The City borrows from the purchasers of the bonds and pledges to pay the bondholders interest and principal over a predetermined number of years (normally 20 years).

What is a General Obligation Bond?

A General Obligation (G.O.) Bond pledges the full faith and credit of the City. Issuance of G.O. Bonds require a vote of the people through a bond referendum, whereby voters decide whether to authorize the sale of bonds and the potential levy of a tax to repay the bonds.

Previous G.O. Bond Programs

- **1992 Bond Program Totaled 25.5M**
 - Public Building (New Police – Fire / Rescue Facility) - \$3.5M
 - Streets - \$3M
 - Storm Sewer (Drainage Improvements) - \$1M
 - Housing - \$1M
 - Sanitary Sewer Improvements - \$17M
- **2004 Bond Program Totaled 20.8M**
 - Street Improvements - \$5.7M
 - West Greenville Revitalization - \$5.0M
 - Center City Revitalization - \$5.0M
 - Stormwater Drainage - \$5.1

2004 Bond Program

DATE(S)	ACTIVITY
December, 2003 – February, 2004	Capital needs discussed at 4 City Council meetings (COPS and G.O. Bonds discussed as funding source)
February 9, 2004	Council voted to approve all of the COPS projects in the CIP; Council voted to get information on specific transportation projects for bonds
March 11, 2004	Council members asked to think about who they wanted to serve on Bond Advocacy Committee
March 15, 2004	Council consensus was to move forward on G.O. bond projects; again discussed need for advocacy committee
March 26, 2004	Staff Meeting with Local Government Commission

2004 Bond Program - (Continued)

DATE(S)	ACTIVITY
April 5, 2004	Presentation to Council on survey results of how citizens felt about potential bond projects and whether respondents would support a tax increase to pay for them; staff reported on March 26 meeting with LGC and continued staff efforts to refine projects
April 12, 2004	Deadline for Council members to provide City Manager with names of potential Bond Advocacy Committee members
April 20, 2004	City Manager reported that Bond Advocacy Committee and staff bond information committee are being created to publicize bonds being considered for November referendum—transportation, 45-block revitalization, center city revitalization, and storm drainage.

2004 Bond Program - (Continued)

DATE(S)	ACTIVITY
April 20, 2004	Letters sent out to 125 potential members of Bond Advocacy Committee
May 13, 2004	Council authorized staff to proceed with process for November bond referendum for \$20.8M in G.O. Bonds <u>for specific projects</u> for transportation, 45-block revitalization, Center City revitalization, and storm drainage.
May – June, 2004	Bond Advocacy Committee formed with 40+ members
June 10, 2004	Council approved resolution making certain findings relating to the authorization and issuance of public improvement bonds and authorizing the Director of Financial Services to file application for approval thereof with the Local Government Commission

November 2014 Bond Timeline

DATE(S)	ACTIVITY
May 29	Meet with Financial Advisors
Early June	Pre-application meeting/call with the LGC staff Further refine GO project list, Start selecting Campaign Oversight Committee
June 23	City Council adopts: (1) Resolution directing publication of notice of intent to apply to the LGC; (2) Resolution authorizing the Director of Finance to apply to the LGC; and (3) Resolution making certain findings of fact
Week of June 23	Publish Notice of Intent in the newspaper
Week of July 14	File Application with LGC and prepare Sworn Statement of Debt

November 2014 Bond Timeline

DATE(S)	ACTIVITY
July 21	Introduce the Bond Orders at the City Council Meeting; City Council adopts the Resolution setting public hearing on the Bond Orders on August 11, 2014; File Sworn Statement of Debt with the City Clerk
By July 28	Publish Notices of Public Hearing on the Bond Orders in the newspaper
August 6	Deliver ballot language to Pitt County Board of Elections
August 11	City Council holds public hearing on adoption of the Bond Orders; City Council adopts (1) the Bond Orders at the conclusion of the public hearing and (2) the Resolution setting a Special Bond Referendum
August 12	City Clerk delivers certified copy of the Resolution setting a Special Bond Referendum to the County Board of Elections

November 2014 Bond Timeline

DATE(S)	ACTIVITY
August 18	City publishes Bond Orders as adopted in the newspaper
NLT August 20	Submit notice to Joint Legislative Committee on Local Government
August 25 & September 8	Publish first and second Notices of Special Bond Referendum in the newspaper
October 7	LGC agenda for approval
November 4	Referendum

Bond Questions

Bond questions must be developed for a specified purpose.

Examples

- Streets
- Housing
- Public Safety
- Recreation and Parks
- Stormwater Drainage
- Library

Bond questions can include new facilities, improvements to existing facilities, or combinations thereof.

Bond Funding

It is expected that a tax increase will be required to fund any proposed G.O. Bonds issued in the coming years.

Tax Increase	Tax Rate	Additional Revenues (FY 15)	Bonding Coverage
+\$0.02	\$.54	\$1.19M	\$14M
+\$0.03	\$.55	\$1.79M	\$21M
+\$0.04	\$.56	\$2.39M	\$28M
+\$0.05	\$.57	\$2.98M	\$35M
+\$0.06	\$.58	\$3.58M	\$42M
+\$0.07	\$.59	\$4.18M	\$49M

Taxpayer Impact

\$150,000 Property Valuation

Tax Increase	Additional Tax per Year	Additional Tax per Month	Additional Tax per Week
+\$0.02	\$30	\$2.50	\$0.58
+\$0.03	\$45	\$3.75	\$0.87
+\$0.04	\$60	\$5.00	\$1.15
+\$0.05	\$75	\$6.25	\$1.44
+\$0.06	\$90	\$7.50	\$1.73
+\$0.07	\$105	\$8.75	\$2.02

Conceptual Bond Program

Capital Needs

Streets and Sidewalks

- \$2.5M of annual streets resurfacing needs
- \$300k of annual needs for sidewalks and signals

Facility Improvements

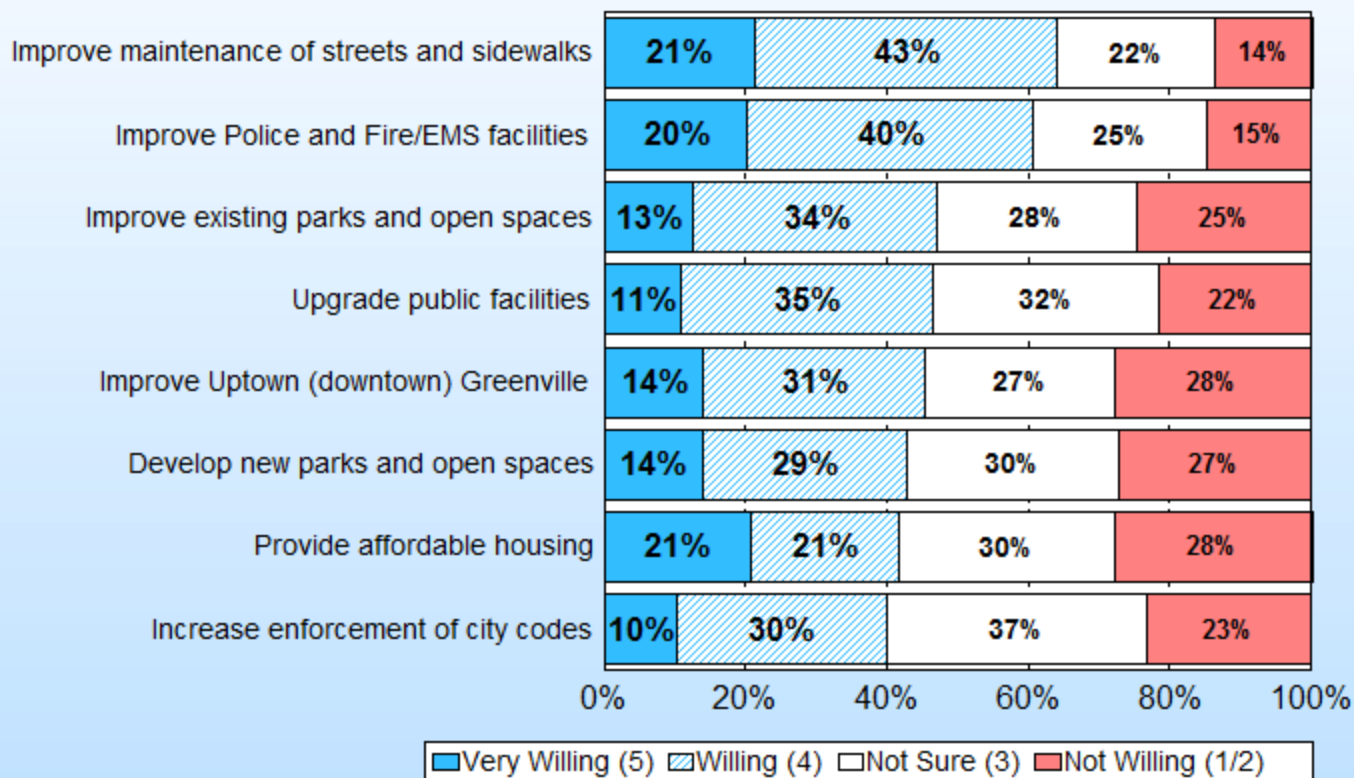
- \$16.3 M of capital needs over the next 10-years (Facilities Improvement Program)

Large Capital Projects

- Various large streets, recreation and parks and other capital projects (i.e. 10th St. Connector, Dickinson Avenue, South Greenville Recreation Center, Town Common, etc.)

Q22. Willingness to Support a Bond Referendum or Additional Funding for Various Reasons

by percentage of respondents who rated the item as a 1 to 5 on a 5-point scale (excluding don't knows)



Source: ETC Institute (City of Greenville - February 2014)

City Council Direction

“Direct staff to prepare a bond referendum in an appropriate amount in three parts: (1) to address roads and infrastructure in serious need, (2) to address the City’s needs for upgrading existing facilities to meet safety needs and for establishing an ongoing facilities improvement program, and (3) to address park needs throughout the City”

Potential Bond Questions



Street Improvement Bonds

- Street Improvements
- Sidewalk Construction



Recreation and Parks Bonds

- New facilities and major improvements to existing facilities
- Facility Improvements (FIP Projects)
- Land Acquisition



Public Safety Bonds

- Facility Improvements (FIP Projects)
- Vehicles

Street Improvement Bonds

\$.02 Tax Increase = 14M Bond

- **Street Improvements - \$7.9M**
 - Includes resurfacing / micro-surfacing / reconstructing over 65 lane miles of roadway.
- **10th Street Connector - \$1.2M**
 - Includes betterments not funded or fully funded by NCDOT (extra wide sidewalks, decorative LED streetlights, berms at select locations, 9th street improvements due to drainage)

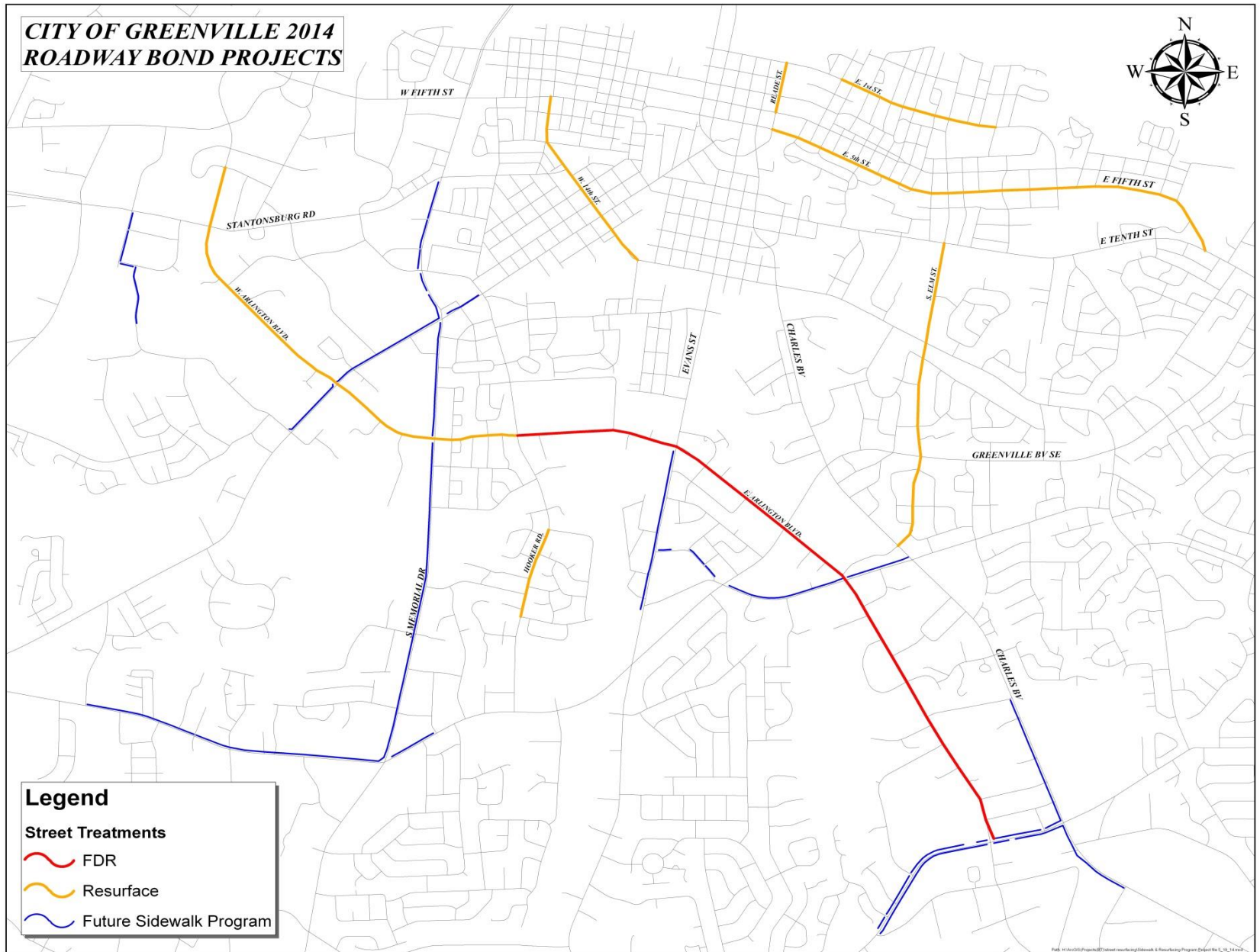
Street Improvement Bonds

\$.02 Tax Increase = 14M Bond

- **Dickinson Avenue Streetscape - \$2.5M**
 - Includes significant streetscape enhancements Reade – 14th (brick pavers, street trees, decorative lighting)
 - Includes decorative lighting from 14th to Memorial
 - *Underground utilities not included
- **Sidewalks - \$2.1M**
 - Complete 10 Year Plan Program with sidewalk segments along Evans St., Dickinson Ave., Red Banks Rd., Charles Blvd. & Memorial Dr.
- **Soft Costs - \$275k**



CITY OF GREENVILLE 2014 ROADWAY BOND PROJECTS



Recreation and Parks Bonds

\$.015 Tax Increase = 10.5M Bond

- **South Greenville Recreation Center - \$3.1M**
 - Complete replacement of recreation center / major gym renovation
- **Town Common - \$1.25M**
 - Phase 1 Master Plan Implementation includes Phase 1 design and construction drawings, and construction of restrooms / concession building, sprayground, a new pier, and designs for future phases
- **Land Acquisition- \$500k**
 - Acquire parkland in Westgate neighborhood and in southwest portion of the community

Recreation and Parks Bonds

\$.015 Tax Increase = 10.5M Bond

- **New Park Development - \$375k**
 - Develop a new park in the Westgate neighborhood
- **S. Tar Greenway Amenities - \$550k**
 - Install improvements along the existing greenway. Improvements may include a shelter, sand volleyball court, mountain bike trail (on old city landfill), skateboard area, exercise amenities, additional parking, lake trail, playground, expand and light dog park.
- **River Park North- \$375k**
 - Improve western portion of park (fishing piers, shelters, trails) and make accessible to eastern portion of park.

Recreation and Parks Bonds

\$.015 Tax Increase = 10.5M Bond

- **Boyd Lee Park - \$430k**
 - Reconstruct and extend cross country trail, air condition gym, renovate building interior, replace gym floor, add multipurpose field, and improve parking.
- **Eastside Park - \$450k**
 - Develop initial phase of park to include trails, water to site, a community garden, road access and possibly a dog park.
- **Phil Carroll Property- \$350k**
 - Develop park access, install trails, picnic shelter, fishing areas and other basic amenities

Recreation and Parks Bonds

\$.015 Tax Increase = 10.5M Bond

- **Greenfield Terrace - \$400k**
 - Install youth baseball field, walking path to the Boys and Girls Club, a sprayground, and other site amenities
- **Bradford Creek Soccer Complex - \$375k**
 - Install lighting for two fields and purchase adjacent property for overflow parking.
- **Paramore Park- \$350k**
 - Install a sprayground amenity and a restroom facility.

Recreation and Parks Bonds

\$.015 Tax Increase = 10.5M Bond

- **Bradford Creek Public Golf Course - \$150k**
 - Greens stabilization and irrigation improvements.
- **Infrastructure and ADA Improvements - \$1.6M**
 - Various facility renovations to address known facility needs and ADA compliance issues at Guy Smith Stadium, Peppermint Park, Westhaven Park, Thomas Foreman Park, Elm St. Center, Hillsdale Park, and Woodlawn Park.
- **Soft Costs - \$210k**

Public Safety Bonds

\$.005 Tax Increase = 3.5M Bond

- **Police – Fire / Rescue Headquarters - \$1.4M**
 - Includes generator replacement, roof replacement, boiler furnace upgrades, HVAC replacement, restroom / lobby / office renovations, and garage door replacements.
- **Fire Stations 1 - 6 and EOC - \$720k**
 - Includes improvements at various facilities including Vehicle Exhaust System replacement, roll-up door replacement, exterior lighting replacement, small addition onto Station 3, outfitting the new EOC, Emergency Apparatus Storage Building construction and a new video conferencing system.

Public Safety Bonds

\$.005 Tax Increase = 3.5M Bond

- **Fire Vehicles - \$1.3M**
 - Includes a new ladder truck and a brush truck
- **Soft Costs - \$70k**

Bond Program Operational Impact

- The proposed bond program does address some existing facility needs in the areas of public safety and recreation and parks. This would reduce the annual needs for the facility improvement program.
- The new facilities proposed as part of the program will require additional maintenance and operational costs.
- Total fiscal impacts on operational costs will be determined once a specific bond program is finalized.

Questions



5.19.14

City Council Meeting